

# **Education and Workforce Development Cabinet Kentucky's jobless rate plummets to 6.7%; biggest one-month drop since 1976**

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**FRANKFORT, Ky. (Oct. 16, 2014)** — Kentucky's seasonally adjusted preliminary unemployment rate dropped to its lowest rate in more than six years in September 2014 at 6.7 percent from a revised 7.1 percent in August 2014, according to the Office of Employment and Training (OET), an agency of the Kentucky Education and Workforce Development Cabinet.

It marks the single-biggest one-month drop in unemployment rates since 1976, when the current methodology for measuring the rate was adopted.

This is the lowest rate for the state since July 2008 when it was 6.6 percent, which was during to the financial crisis.

"A steep drop in unemployment combined with gains in hiring and consumer spending are clear indicators of a growing economy," said economist Manoj Shanker of the OET. "All signs point to a robust recovery from the financial crisis in 2008."

The preliminary September 2014 jobless rate was 1.6 percentage points below the 8.3 percent rate recorded for the state in September 2013.

The U.S. seasonally adjusted jobless rate slipped to 5.9 percent in September 2014 from 6.1 percent a month ago, according to the U.S. Department of Labor.

Labor force statistics, including the unemployment rate, are based on estimates from the Current Population Survey of households. It is designed to measure trends rather than to count the actual number of people working. It includes jobs in agriculture and those classified as self-employed.

In September 2014, Kentucky's civilian labor force was 2,002,439, a decrease of 15,078 individuals compared to the previous month. Employment was down by 6,465, and the number of unemployed declined by 8,613.

"The labor market has improved steadily in 2014," said economist Manoj Shanker of the OET. "As the market tightens and demand for labor rises, we should see wages ratchet up."

In a separate federal survey of business establishments that excludes jobs in agriculture and people who are self-employed, Kentucky's seasonally adjusted nonfarm employment increased by 2,400 jobs in

September 2014 from the month before, and by 27,100 positions since September 2013.

“During the last six months we have had steady job growth. On average we have added 21,000 jobs per month from a year ago during this period,” said Shanker.

Nonfarm data is provided by the Bureau of Labor Statistics’ Current Employment Statistics program. According to this survey, six of Kentucky’s 11 major nonfarm North American Industry Classification System (NAICS) job sectors registered gains in employment, while three declined from the previous month and two stayed the same.

Kentucky’s leisure and hospitality sector shot up by 3,200 positions in September 2014. Since September 2013, this sector has grown by a substantial 9,400 jobs for an increase of 5.2 percent. This sector includes arts, entertainment, recreation, accommodation and food services.

“The robust growth in the leisure and hospitality sector results from greater consumer spending,” said Shanker. “Consumers have more discretionary money not just because wages are inching up, but also as a result of savings realized at the pump from plummeting gasoline prices”

Employment in the educational and health services sector increased by 1,600 positions in September 2014, and gained 4,400 jobs over the year. Health care jobs, which account for nearly 90 percent of employment in this sector, had a month-to-month decrease of 500 jobs in September but expanded by 3,200 positions over last year.

The professional and business services added 500 positions in September 2014 from a month ago. The year-over-year gain was more substantial with the addition of 9,600 jobs, or 4.8 percent. This category includes establishments engaged in services that support the day-to-day activities of other organizations, including temporary employment services and payroll processing.

The construction sector gained 300 jobs in September 2014 from a month ago. Since September 2013, employment in construction has declined by 600 positions.

The information sector increased by 300 jobs in September 2014. This segment has risen by 800 positions since September 2013. The industries in this sector include traditional publishing as well as software publishing; motion pictures and broadcasting; and telecommunications.

Employment in the other services sector, which includes repairs and maintenance, personal care services, and religious organizations, rose by 100 positions in September from a month ago. This sector posted an increase of 900 jobs from a year ago.

Employment in the government sector, which includes public education, public administration agencies and state-owned hospitals, was unchanged in September 2014, but posted an increase of 1,000 positions compared to September a year ago.

Employment in the mining and logging sector also remained flat in September 2014. The industry has added 300 jobs since last September.

Kentucky’s manufacturing sector lost 800 jobs in September 2014 compared to the previous month. Since September 2013, employment in manufacturing has increased by 700 jobs.

“Employment in the nondurable goods sector has fallen on an over-the-year basis, while there has been a surge in durable goods employment,” said Shanker. “This includes industries in the transportation equipment sector as well as iron and steel mills.”

The financial activities sector posted a decline of 900 jobs from a month ago. The sector has lost 2,600 positions over the last 12 months.

The state’s trade, transportation and utilities sector dropped 1,900 jobs in September 2014 compared to August 2014. From a year ago, employment has grown by 3,200 jobs. This is the largest sector in Kentucky accounting for one-fifth of all nonfarm jobs.

Civilian labor force statistics include nonmilitary workers and unemployed Kentuckians who are actively seeking work. They do not include unemployed Kentuckians who have not looked for employment within the past four weeks.

Kentucky’s statewide unemployment rate and employment levels are seasonally adjusted. Employment statistics undergo sharp fluctuations due to seasonal events, such as weather changes, harvests, holidays and school openings and closings. Seasonal adjustments eliminate these influences and make it easier to observe statistical trends. However, because of the small sample size, county unemployment rates are not seasonally adjusted.

Learn more about Kentucky labor market information at [www.kylmi.ky.gov](http://www.kylmi.ky.gov).